

**AT A REGULAR MEETING OF THE MONTGOMERY COUNTY PUBLIC SERVICE
AUTHORITY, HELD ON THE 5TH DAY OF MAY 2008, 7:00 P.M., COUNTY
ADMINISTRATION CONFERENCE ROOM, MONTGOMERY COUNTY
GOVERNMENT CENTER, CHRISTIANSBURG, VIRGINIA:**

PRESENT:	James Politis	-Chair
	Gary Creed	-Vice Chair
	Annette Perkins	-Member
	John Muffo	-Member
	William Brown	-Member
	Doug Marrs	-Member
	Robert C. Fronk	-PSA Director
	Linda Pendleton	-Secretary, PSA Board
	Marty McMahon	-County Attorney
	B. Clayton Goodman	-County Administrator
	Malvin Wells	-Planning Commission

ABSENT:	Mary Biggs	-Secretary-Treasurer
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CALL TO ORDER

Chair Politis called the meeting to order and determined that a quorum was present.

PUBLIC ADDRESS SESSION

There were no comments from the public.

CONSENT AGENDA

On a motion by Doug Marrs, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the Consent Agenda, dated May 5, 2008.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Mary Biggs
Gary Creed		
Annette Perkins		
William Brown		
Doug Marrs		
James Politis		

**APPROVAL OF MINUTES
APRIL 7, 2008**

On a motion by Doug Marrs, seconded by William Brown, and carried; IT WAS RESOLVED, that the Public Service Authority hereby approves the minutes dated April 7, 2008.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Mary Biggs
Gary Creed		
Annette Perkins		
William Brown		
Doug Marrs		
James Politis		

INTO WORK SESSION

On a motion by William Brown, seconded by Annette Perkins, and carried; IT WAS RESOLVED, that the Public Service Authority hereby enters into Work Session for the purpose of discussing the following:

- A. Rural Development Loan Refinancing Opportunities Presentation
by Davenport & Company
- B. FY 2009 Budget
- C. Proposed Water/Sewer Fee Changes

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Mary Biggs
Gary Creed		
Annette Perkins		
William Brown		
Doug Marrs		
James Politis		

OUT OF WORK SESSION

On a motion by Gary Creed, seconded by William Brown, and carried, IT WAS RESOLVED, that the Public Service Authority hereby ends their work session to return to regular session.

The vote on the foregoing motion is as follows:

AYE	NAY	ABSENT
John Muffo		Mary Biggs
Gary Creed		
Annette Perkins		
William Brown		
Doug Marrs		
James Politis		

After the work session, it was the consensus of the Board to authorize Davenport & Company, LLC to proceed with preparing necessary documentation to develop a competitive solicitation to local/regional financial institutions for refinancing of PSA loans at a risk-free, no-commitment basis.

SOUTHERN RIVERS WATERSHED ENHANCEMENT PROGRAM

After work session, the Director presented correspondence from the Department of Housing and Community Development that he received on Friday afternoon, May 2, 2008. The memorandum concerned unallocated funding from the Southern Rivers Watershed Enhancement Program for water and sewer projects. The deadline for submitting proposals is no later than May 28, 2008; therefore, the Director felt that it would be necessary to make a decision on this funding opportunity at this meeting so that the proposals can be prepared and submitted before the deadline. The Director feels that replacement of the Warm Hearth Pump Station would qualify for this funding. The Board members asked if there were any other potential projects that would qualify. The Director stated that the Plum Creek Pump Station needed to be upgraded to three-phase power.

After this discussion, the following resolution was adopted:

**R08-05-1
RESOLUTION AUTHORIZING DIRECTOR TO REQUEST
THE MONTGOMERY COUNTY BOARD OF SUPERVISORS
APPLY FOR SOUTHERN RIVERS WATERSHED ENHANCEMENT
PROGRAM (SRWEP) FUNDS**

On a motion by William Brown, seconded by Doug Marrs, and carried; IT WAS RESOLVED, that the Montgomery County Public Service Authority wishes for the County of Montgomery, Virginia to apply, on behalf of the Montgomery County Public Service Authority, for Southern Rivers Watershed Enhancement Program (SRWEP) funds, in an amount up to \$150,000 for the Warm Hearth Sewer Pump Station Replacement Project, and should additional funds be available, apply for an additional amount up to \$150,000 for the Plum Creek Sewer Pump Station Upgrade; and

BE IT FURTHER RESOLVED, there will be no local, state, or federal funds involved in the project; and, that all design and project administration will be completed by the Montgomery County Public Service Authority staff on behalf of the County of Montgomery; and

BE IT FURTHER RESOLVED, that the Director of the Montgomery County Public Service Authority is authorized to sign and submit all appropriate information necessary for the County of Montgomery to apply for SRWEP funding.

The vote on the foregoing motion is as follows:

AYE
John Muffo
Gary Creed
Annette Perkins
William Brown
Doug Marrs
James Politis

NAY

ABSENT
Mary Biggs

SETTING PRELIMINARY RATE SCHEDULE AND AUTHORIZING PUBLIC HEARING

R08-05-2 RESOLUTION SETTING PRELIMINARY RATE SCHEDULE AND AUTHORIZING PUBLIC HEARING

On a motion by William Brown, seconded by Annette Perkins, and carried; IT WAS RESOLVED, that the Montgomery County Public Service Authority does hereby agree to set the following proposed preliminary schedule fixing and classifying rates, fees and charges for water and sewer service:

Disconnection Fee	-Currently \$45 Disconnection Fee for Water and \$45 Disconnection Fee for Sewer -Proposed \$50 Disconnection Fee for Water Only and \$50 Disconnection Fee When Water and Sewer is Disconnected at the Same Time -Proposed \$100 Disconnection Fee for Sewer Only Accounts
Reactivation Fee	-New Proposed Fee of \$50
Facility Fee Installment Plan Processing/Handling Fee	-A New Proposed Ten Percent Flat Fee of Total Amount Financed When Financing Water and/or Sewer Under the Facility Fee Installment Plan
Plan Review Fee	-A New Proposed \$100 Base Fee Plus an Additional \$0.20 Per Linear Foot for Review of Water and/or Sanitary Sewer (Gravity and Force) Main Plans. A \$50 Re-Review Fee Plus an Additional \$0.10 Per Linear foot for the review of the 4 th Submission and Beyond.
Construction Inspection Fee	-A New Proposed \$100 Construction Inspection Fee Per 1,000 Linear Feet or Portion Thereof of Water and/or Sewer. The Fee is for Each System, Water and Sewer.
Fire Hydrant Availability Fee	-A New Proposed \$35 Per Fire Hydrant, Per Year, Fire Hydrant Availability Fee to be Paid by the County of Montgomery

BE IT FURTHER RESOLVED, by the Montgomery County Public Service Authority, that the Public Service Authority hereby authorizes the Director to advertise a public hearing in accordance with Section 15.2-5136 of the Code of Virginia, 1950, as amended, to be held on August 4, 2008, at 7:00 p.m. in the Montgomery County Government Center, 755 Roanoke Street, 2nd Floor County Administration Conference Room, in order to receive citizen comments on the preliminary schedule fixing and classifying rates, fees and charges for water and sewer service.

The vote on the foregoing motion is as follows:

AYE
John Muffo
Gary Creed
Annette Perkins
William Brown

NAY

ABSENT
Mary Biggs

FINANCIAL REPORT

The financial report for period ending April 30, 2008 was presented for review and discussion.

DIRECTOR'S REPORT

The Director discussed the following items:

1. Monthly Activities Report
The April 2008 report was presented for review.
2. Prices Fork Water System Status
A request for reimbursement of the additional cost to the PSA for the backup water supply from Blacksburg was sent to Alliant Techsystems on April 23, 2008. The PSA is currently waiting on their reply.
3. Records Management Activities
PSA staff have inventoried and filed, archived or destroyed all PSA records held in the current and old PSA offices per Virginia records management regulations and PSA procedures. A central filing system, library and archived storage have been established in the current PSA office.
4. Plum Creek Water Loss Study
Ongoing water accountability studies identified significant water loss in the Plum Creek water system. PSA water and maintenance operators systematically investigated the system along with Virginia Rural Water Association (VRWA) water leak operators and identified several possible water leaks. The first of the identified leak areas excavated uncovered a significant water leak from an improperly installed repair clamp. This clamp was installed about 1992 with a large gravel between the clamp and pipe causing the leak. The other possible leaks will be excavated, inspected and repaired if needed.
5. Warm Hearth Sewer Pump Station
The PSA apparently suffered a lightning strike on this pump station during the early morning of April 29, 2008 which damaged one of the electric pump motors and caused a sewer overflow. Staff was able to place the pump station back into service with the remaining pump and have installed our trailer mounted backup pump on site as a backup system while only one pump is functional. The damaged pump motor was removed and delivered to our pump repair contractor for evaluation and repair or replacement. This pump station continues to be problematic and should be replaced as soon as possible. Review of the various grant and loan agencies indicates that grant monies are not currently available but low interest loans may be available.
6. Warm Hearth Sewer Billing
Staff recently discovered that sewer billing for this facility was being based upon the water meter readings rather than the installed sewer meter. This billing method resulted in several thousand dollars of lost revenue over the last two months alone. Warm Hearth has been notified of the proposed sewer billing method.

7. Sewer Within Duncan GMC/Pontiac Site
The PSA has received the survey work from Anderson and Associates and are completing the sewer design. The PSA is to design and bid the work and VDOT will provide funding based upon the bids. Several alternatives will be bid to determine the cost of the work and best route for all parties involved.
8. Final Acceptance of Installed Facilities
During April 2008, the PSA performed warranty inspections and after final corrections by the developers fully accepted and released the warranty bonds for the Walnut Creek Subdivision Phase 1 and the Hawley Water Line Project.
9. Disputed Vender Invoices
The PSA received several invoices for recent work which appeared to contain questionable charges per the contract conditions. A formal request was sent to the vender requesting clarification of several charges.
10. Shawsville Water Project Remaining Fund Disbursement
A request outlining purchases of meters and various meter reading equipment was submitted to Rural Development on April 24, 2008 and was approved by email (approval letter pending) on April 29, 2008 for the remaining project funds of \$110,266.
11. Fill Over Sanitary Sewer Easement On National Drive Lot
It was determined that a property owner in this area placed fill material in excess of 15 feet over an existing sewer main and easement. The owner was notified by letter and telephone of the situation and need to remove the material and restore the easement to its original condition. The property owner indicated that he would remove the fill.
12. Fiscal Year 2008 Cash Balance Graph
The Director presented a graph of total water and sewer accounts cash balances for all workdays since July 1, 2007.
13. Road Crossing Invoice
The Director informed the Board that an outstanding invoice for a road crossing was paid under protest by the property owner. The property owner is planning to seek legal counsel.

AUTHORITY MEMBERS' REPORT

There were no reports from Authority members

ADJOURNMENT

On a motion by Annette Perkins, seconded by Doug Marrs, and carried; IT WAS RESOLVED, that the Public Service Authority does hereby adjourn to the next meeting scheduled for June 2, 2008.